

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name EDENVILLE TOWNSHIP	County MIDLAND
Fiscal Year End 6/30/07	Opinion Date 12/20/07	Date Audit Report Submitted to State 12/28/07	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).



Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input checked="" type="checkbox"/>	SAS #112 Letter		
Certified Public Accountant (Firm Name) Weinlander Fitzhugh		Telephone Number 989-893-5577		
Street Address 1600 Center Ave.		City Bay City	State MI	Zip 48707
Authorizing CPA Signature <i>Stewart J. Reid CPA</i>		Printed Name Stewart J. Reid		License Number 1101008826



# WEINLANDER FITZHUGH

CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

ROBERT E. LIST, CPA  
STEWART J. REID, CPA  
MICHAEL L. HANISKO, CPA  
DAVID D. QUIMBY, CPA  
KATHLYN M. ENGELHARDT, CPA  
RENAE M. CLEVENGER, CPA  
AMY L. RODRIGUEZ, CPA  
SCOTT A. NIETZKE, CPA

WALTER G. WEINLANDER, CPA  
ROY A. SCHAIRER, CPA  
JAMES L. WHALEY, CPA  
JEROME L. YANTZ, CPA  
PHILIP T. SOUTHGATE, CPA  
ROBERT J. DUYCK, CPA

## EDENVILLE TOWNSHIP MIDLAND COUNTY, MICHIGAN

### FINANCIAL STATEMENTS JUNE 30, 2007

1600 CENTER AVENUE  
POST OFFICE BOX 775  
BAY CITY, MI 48707-0775  
989-893-5577  
800-624-2400  
FAX 989-895-5842  
[www.wf-cpas.com](http://www.wf-cpas.com)  
[wf@wf-cpas.com](mailto:wf@wf-cpas.com)

OFFICES: BAY CITY, CLARE,  
GLADWIN AND WEST BRANCH

**RSM! McGladrey Network**

An Independently Owned Member

TABLE OF  
CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3a-3j
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	4
Statement of Activities	5
Fund Financial Statements	
Governmental Funds:	
Balance Sheet	6
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Assets	7
Statement of Revenues, Expenditures and Changes in Fund Balance	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	9
Fiduciary Funds:	
Statement of Fiduciary Net Assets	10
Notes to Financial Statements	11-22
Required Supplemental Information	
Budgetary Comparison Schedule – General Fund	23
Budgetary Comparison Schedule – Solid Waste Fund	24
Budgetary Comparison Schedule – Lake Assessment Fund	25

TABLE OF  
CONTENTS

Budgetary Comparison Schedule – Fire Fund	26
Other Supplemental Information	
Non-Major Funds Combining Balance Sheet	27
Non-Major Funds Combining Statement of Revenue, Expenditures and Changes in Fund Balance	28



ROBERT E. LIST, CPA  
STEWART J. REID, CPA  
MICHAEL L. HANISKO, CPA  
DAVID D. QUIMBY, CPA  
KATHLYN M. ENGELHARDT, CPA  
RENAE M. CLEVINGER, CPA  
AMY L. RODRIGUEZ, CPA  
SCOTT A. NIETZKE, CPA

WALTER G. WEINLANDER, CPA  
ROY A. SCHAIRER, CPA  
JAMES L. WHALEY, CPA  
JEROME L. YANTZ, CPA  
PHILIP T. SOUTHGATE, CPA  
ROBERT J. DUYCK, CPA

# WEINLANDER FITZHUGH

CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

## Independent Auditors' Report

December 20, 2007

Township Board  
Township of Edenville  
Midland County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of the Township of Edenville, Edenville, Michigan as of and for the year ended June 30, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the Township of Edenville as of June 30, 2007, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

1600 CENTER AVENUE  
POST OFFICE BOX 775  
BAY CITY, MI 48707-0775  
989-893-5577  
800-624-2400  
FAX 989-895-5842  
[www.wf-cpas.com](http://www.wf-cpas.com)  
[wf@wf-cpas.com](mailto:wf@wf-cpas.com)

OFFICES: BAY CITY, CLARE,  
GLADWIN AND WEST BRANCH

**RSM! McGladrey Network**

An Independently Owned Member



# WEINLANDER FITZHUGH

Township Board  
Township of Edenville  
December 20, 2007  
Page 2

The accompanying management's discussion and analysis and budgetary comparison listed in the table of contents are not a required part of the basic financial statements but are supplemental information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Edenville's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Weinlander Fitzhugh*

**EDENVILLE TOWNSHIP**  
**Management's Discussion & Analysis**  
**For the Year Ended June 30, 2007**

Our discussion and analysis of Edenville Township's (Township) financial performance provides an overview of the Township's financial activities for the fiscal year ended June 30, 2007.

**Financial Highlights**

The Township's net assets increased by approximately \$92,000 or about 17%. Program revenues accounted for \$280,000 or 39% of total revenues, and general revenues accounted for \$443,000 or 61%.

**Using this Annual Financial Report**

This annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Edenville Township financially as a whole. The *Government-wide Financial Statements* provide information about the activities of the whole Township, presenting both an aggregate view of the Township's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements look at the Township's operations in more detail than the Government-wide financial statements by providing information about the Township's most significant funds – the General Fund, Solid Waste Fund, Lake Assessment Fund, Fire Fund and M-30 Water Fund. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the Township acts solely as an agent or trustee. The following summarizes the presentation included in this annual financial report.

Management's Discussion and Analysis (MD&A) (Required Supplemental Information)

Basic Financial Statements

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements

Budgetary Information for the General Fund, Solid Waste Fund, Lake Assessment Fund and Fire Fund (Required Supplemental Information)

Other Supplemental Information

**EDENVILLE TOWNSHIP**  
**Management's Discussion & Analysis**  
**For the Year Ended June 30, 2007**

**Reporting the Township as a Whole**

*The Statement of Net Assets and Statement of Activities*

One of the most important questions asked about the Township's finances is: "Is the Township better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the Township's net assets as a way to measure the Township's financial position. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base and facility conditions in arriving at their conclusion regarding the overall health of the Township.

**Reporting the Government's Most Significant Funds**

*Fund Financial Statements*

The Township's fund financial statements provide detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. Other funds are established to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other sources of revenue. The Township's two types of funds, governmental and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

*Governmental Funds*

Most of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources available to spend in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.



**EDENVILLE TOWNSHIP**  
**Management's Discussion & Analysis**  
**For the Year Ended June 30, 2007**

*Fiduciary Funds*

The Township is the trustee, or fiduciary, for tax collections. All of the Township's fiduciary activities are reported in separate Statement of Fiduciary Net Assets. We exclude these activities from the Township's other financial statements because the assets cannot be utilized by the Township to finance its operations.

**Government-wide Financial Analysis**

The statement of net assets provides the perspective of the Township as a whole. Exhibit A provides a summary of the Government's net assets.

	<b><u>Exhibit A</u></b>	
	Governmental Activities	
	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Current and other assets	\$ 639,000	\$ 279,000
Capital assets - net of accumulated depreciation	<u>765,000</u>	<u>815,000</u>
Total assets	<u>1,404,000</u>	<u>1,094,000</u>
<b>Liabilities</b>		
Current liabilities	358,000	56,000
Long-term liabilities	<u>426,000</u>	<u>466,000</u>
Total liabilities	<u>784,000</u>	<u>522,000</u>
<b>Net Assets</b>		
Invested in capital assets - net of related debt	273,000	311,000
Unrestricted	<u>347,000</u>	<u>261,000</u>
Total net assets	<u><u>\$ 620,000</u></u>	<u><u>\$ 572,000</u></u>

**EDENVILLE TOWNSHIP**  
**Management's Discussion & Analysis**  
**For the Year Ended June 30, 2007**

Exhibit A, on the previous page, focuses on net assets. The Township's net assets were \$620,000 at June 30, 2007. Capital assets net related debt totaling \$273,000 compares the original costs, less depreciation and related debt of the Township's capital assets.

The \$347,000 in unrestricted net assets of governmental activities represents the *accumulated* results of all past years' operations. The operating results of the General, Solid Waste, Lake Assessment, Fire and M-30 Water Funds will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Township as a whole are reported in the statement of activities, summarized in Exhibit B, which shows the changes in net assets for the year ended June 30, 2007.

**EDENVILLE TOWNSHIP**  
**Management's Discussion & Analysis**  
**For the Year Ended June 30, 2007**

<b><u>Exhibit B</u></b>	Governmental	
	Activities	
	2007	2006
<b>Revenue</b>		
Program revenue:		
Charges for services	\$ 271,000	\$ 189,000
Grants and contributions	9,000	9,000
General revenue:		
Property taxes	250,000	231,000
State revenue sharing	170,000	174,000
Other	23,000	35,000
	<u>723,000</u>	<u>638,000</u>
<b>Function/Program Expenses</b>		
General government	207,000	217,000
Public safety	118,000	95,000
Public works	43,000	9,000
Streets and highways	117,000	139,000
Legislative	2,000	2,000
Recreation and culture	15,000	15,000
Sanitation	104,000	85,000
Interest and fees	25,000	16,000
	<u>631,000</u>	<u>578,000</u>
<b>Increase in Net Assets</b>	<u>\$ 92,000</u>	<u>\$ 60,000</u>

**EDENVILLE TOWNSHIP**  
**Management's Discussion & Analysis**  
**For the Year Ended June 30, 2007**

As reported in the statement of activities, the cost of all of our *governmental* activities this year was \$631,000. Certain activities were partially funded from those who benefited from the programs or by the other governments and organizations that subsidized certain programs with grants and categoricals. We paid for the remaining "public benefit" portion of our governmental activities with \$250,000 in taxes, \$170,000 in State revenue sharing, and with our other revenues, such as interest and miscellaneous revenues.

The Township experienced an increase in net assets of \$92,000. The key reason for the change in net assets was positive operating results across all components of the government.

**The Township's Funds**

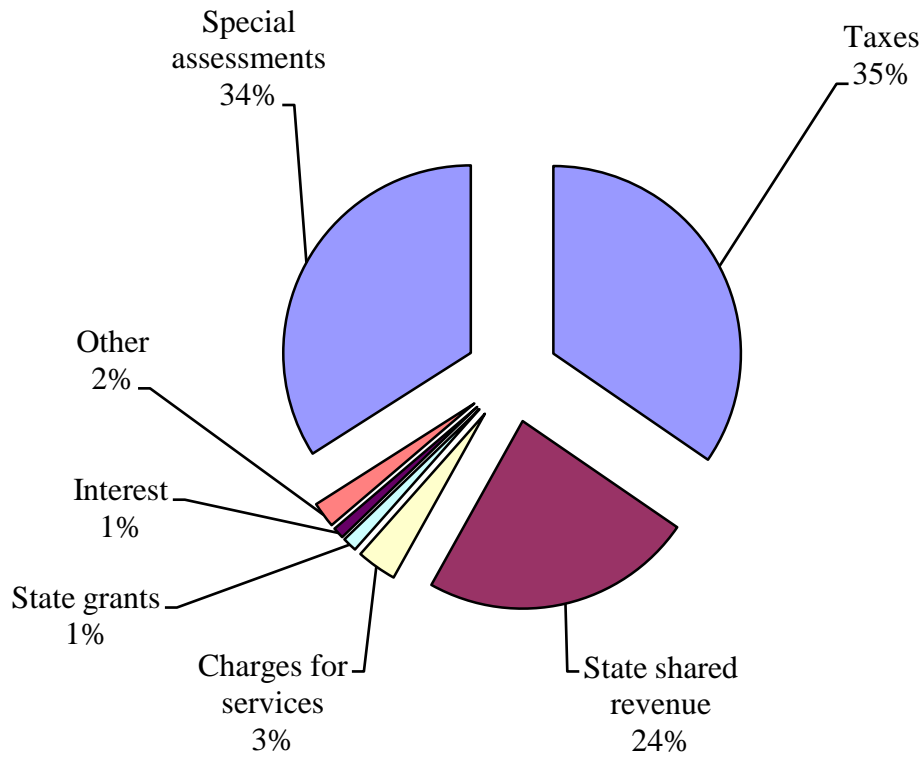
The Township uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Township is being accountable for the resources taxpayers and others provide to it and may provide more insight into the Township's overall financial health.

The Township's governmental funds reported a combined fund balance of \$347,000, which is above last year's total of \$261,000. The schedule below indicates the fund balances and the total change in fund balance as of June 30, 2007 and 2006.

	Fund Balance June 30, 2007	Fund Balance June 30, 2006	Increase (Decrease)
General	\$ 162,000	\$ 156,000	\$ 6,000
Solid Waste	108,000	80,000	28,000
Lake Assessment	29,000	0	29,000
Fire	2,000	(9,000)	11,000
M-30 Water	40,000	36,000	4,000
Special Road	3,000	(2,000)	5,000
Swanton	3,000	0	3,000
Total	<u>\$ 347,000</u>	<u>\$ 261,000</u>	<u>\$ 86,000</u>

**EDENVILLE TOWNSHIP**  
Management's Discussion & Analysis  
For the Year Ended June 30, 2007

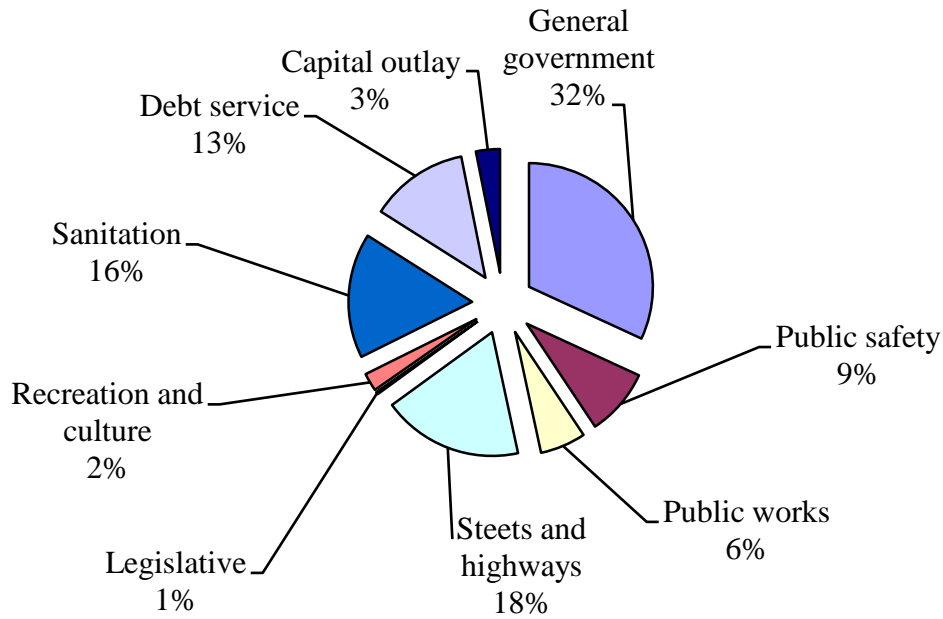
The graph below details the major sources of the Township's revenues.



	2007	2006
<i>Revenues by Source</i>		
Taxes	\$ 250,000	\$ 231,000
Special assessments	246,000	161,000
State shared revenue	170,000	174,000
Charges for services	25,000	28,000
State grants	9,000	9,000
Interest	7,000	5,000
Other	16,000	30,000
	<hr/>	<hr/>
Total	<u>\$ 723,000</u>	<u>\$ 638,000</u>

**EDENVILLE TOWNSHIP**  
Management's Discussion & Analysis  
For the Year Ended June 30, 2007

The graph below details the major expenditure categories of the Township.



	2007	2006
<i>Expenditures by Function</i>		
General government	\$ 203,000	\$ 208,000
Public safety	56,000	53,000
Public works	38,000	9,000
Streets and highways	117,000	139,000
Legislative	2,000	2,000
Recreation and culture	15,000	15,000
Sanitation	104,000	85,000
Debt service	82,000	95,000
Capital outlay	20,000	378,000
Total	<u>\$ 637,000</u>	<u>\$ 984,000</u>

**EDENVILLE TOWNSHIP**  
Management's Discussion & Analysis  
For the Year Ended June 30, 2007

**General Fund Budgetary Highlights**

Over the course of the year, the Township revises its budget to reflect changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the Township's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

Changes to the General Fund original budget were as follows.

- Budgeted revenues remained the same throughout the fiscal year.
- Budgeted expenditures remained the same throughout the fiscal year.
- There were no significant variances between actual results and budgeted amounts.

**Capital Assets**

At June 30, 2007, the Township had \$765,000 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This amount represents a net decrease (including additions and disposals) of approximately \$50,000 from last year.

**EDENVILLE TOWNSHIP**  
**Management's Discussion & Analysis**  
**For the Year Ended June 30, 2007**

This year's additions of \$20,000 included a new concrete parking lot for the fire station. The addition was financed from cash accumulations of the Township.

We anticipate capital additions will be minimal in the next fiscal year. We present more detailed information about our capital assets in the notes to the financial statements.

**Debt**

At the end of the year, the Township had bonds and leasing obligations consisting of the following:

	<u>2007</u>	<u>2006</u>
2004 Water Supply System Bond	\$ 187,500	\$ 197,500
Woodland Estates Road Project	18,139	36,278
Capital Lease-Firetrucks	<u>278,006</u>	<u>306,522</u>
Total Debt	<u>\$ 483,645</u>	<u>\$ 540,300</u>

The Township's General Obligation Bond rating continues to be equivalent to the State's credit rating. We do not anticipate issuing any debt next year.

**Factors Expected to Have an Effect on Future Operations**

We expect to see a decline in state shared revenue next year as the State of Michigan continues to face challenges in balancing its budget. We will need to adjust Township expenditures in response to any revenue shortfall.

**Requests For Information**

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in Edenville Township. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Ms. Alice Sharon Such  
Supervisor  
Box 24  
Edenville, MI 48620



EDENVILLE TOWNSHIP  
Statement of Net Assets  
June 30, 2007

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 360,237
Receivables - net	277,199
Prepaid expenses	1,561
Capital assets - net of accumulated depreciation of \$304,573	<u>765,039</u>
Total Assets	<u>1,404,036</u>
<u>Liabilities</u>	
Accounts payable	59,061
Accrued and other liabilities	231,203
Swanton hall advances	10,110
Due to other governmental units	4
Long term liabilities:	
Due within one year	57,904
Due in more than one year	<u>425,741</u>
Total Liabilities	<u>784,023</u>
<u>Net Assets</u>	
Invested in capital assets - net of related debt	272,725
Unrestricted	<u>347,288</u>
Total Net Assets	<u><u>\$ 620,013</u></u>

See accompanying notes to financial statements

EDENVILLE TOWNSHIP  
Statement of Activities  
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government:				
General government	\$ 206,628	\$ 25,464	\$ 8,962	\$ (172,202)
Public safety	117,784	0	0	(117,784)
Public works	42,824	91,713	0	48,889
Streets and highways	117,333	22,025	0	(95,308)
Legislative	1,560	0	0	(1,560)
Recreation and culture	15,397	0	0	(15,397)
Sanitation	104,050	131,757	0	27,707
Interest and fees	24,871	0	0	(24,871)
Total governmental activities	<u>\$ 630,447</u>	<u>\$ 270,959</u>	<u>\$ 8,962</u>	<u>(350,526)</u>
General revenues:				
				250,130
Property taxes				169,971
State shared revenues				7,291
Interest				15,781
Other				<u>443,173</u>
Total general revenues				<u>443,173</u>
Change in net assets				<u>92,647</u>
Net assets at beginning of year, as previously stated				572,787
Prior period adjustment				<u>(45,421)</u>
Net assets - beginning of year, restated				<u>527,366</u>
Net assets - end of year				<u>\$ 620,013</u>

See accompanying notes to financial statements

EDENVILLE TOWNSHIP  
Governmental Funds  
Balance Sheet  
June 30, 2007

	General Fund	Solid Waste Fund	Lake Assessment Fund	Fire Fund	M-30 Water Fund	Non- Major Funds	Total
<u>ASSETS</u>							
Cash and investments	\$ 104,094	\$ 108,567	\$ 69,293	\$ 21,847	\$ 40,302	\$ 16,134	\$ 360,237
Receivables - net	54,665	0	0	0	203,557	18,977	277,199
Due from other funds	19,934	0	0	0	0	0	19,934
Prepaid expenditures	1,561	0	0	0	0	0	1,561
Total assets	<u>\$ 180,254</u>	<u>\$ 108,567</u>	<u>\$ 69,293</u>	<u>\$ 21,847</u>	<u>\$ 243,859</u>	<u>\$ 35,111</u>	<u>\$ 658,931</u>
<u>LIABILITIES AND FUND BALANCE</u>							
<u>Liabilities</u>							
Accounts payable	\$ 18,480	\$ 0	\$ 40,581	\$ 0	\$ 0	\$ 0	\$ 59,061
Swanton hall advances	0	0	0	0	0	10,110	10,110
Deferred revenue	0	0	0	0	203,557	18,977	222,534
Due to other funds	0	0	0	19,934	0	0	19,934
Due to other governmental units	4	0	0	0	0	0	4
Total liabilities	<u>18,484</u>	<u>0</u>	<u>40,581</u>	<u>19,934</u>	<u>203,557</u>	<u>29,087</u>	<u>311,643</u>
<u>Fund Balance</u>							
Unreserved	<u>161,770</u>	<u>108,567</u>	<u>28,712</u>	<u>1,913</u>	<u>40,302</u>	<u>6,024</u>	<u>347,288</u>
Total Liabilities and Fund Balance	<u>\$ 180,254</u>	<u>\$ 108,567</u>	<u>\$ 69,293</u>	<u>\$ 21,847</u>	<u>\$ 243,859</u>	<u>\$ 35,111</u>	<u>\$ 658,931</u>

See accompanying notes to financial statements

EDENVILLE TOWNSHIP  
Reconciliation of Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 2007

Total fund balance - governmental funds	\$ 347,288
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of the capital assets	1,069,612
Accumulated depreciation	(304,573)
Long-term liabilities are not due and payable in the current period and are not reported in the funds:	
Bonds payable	(187,500)
Notes payable	(18,139)
Capital lease payable	(278,006)
Accrued interest payable is not included as a liability in governmental activities	<u>(8,669)</u>
Total net assets - governmental activities	<u><u>\$ 620,013</u></u>

See accompanying notes to financial statements

EDENVILLE TOWNSHIP  
Governmental Funds  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2007

	General Fund	Solid Waste	Lake Assessment Fund	Fire Fund	M-30 Water Fund	Non- Major Funds	Total
<u>Revenues</u>							
Taxes and penalties	\$ 125,138	\$ 0	\$ 0	\$ 102,016	\$ 22,976	\$ 0	\$ 250,130
Special assessment	0	131,757	91,713	0	0	22,025	245,495
State shared revenue	169,971	0	0	0	0	0	169,971
Charges for services	23,607	0	0	0	0	1,857	25,464
State grants	8,962	0	0	0	0	0	8,962
Interest	4,283	830	669	385	1,048	76	7,291
Other revenue	1,329	0	0	181	0	14,271	15,781
Total revenues	<u>333,290</u>	<u>132,587</u>	<u>92,382</u>	<u>102,582</u>	<u>24,024</u>	<u>38,229</u>	<u>723,094</u>
<u>Expenditures</u>							
Current:							
General government	191,287	0	0	0	0	11,709	202,996
Public safety	6,500	0	0	49,232	0	0	55,732
Public works	38,496	0	0	0	0	0	38,496
Streets and highways	50,369	0	63,670	0	0	3,294	117,333
Legislative	1,560	0	0	0	0	0	1,560
Recreation and culture	15,397	0	0	0	0	0	15,397
Sanitation	0	104,050	0	0	0	0	104,050
Debt Service:							
Principal	0	0	0	28,516	10,000	18,139	56,655
Interest and fees	0	0	0	13,473	10,150	1,722	25,345
Capital Outlay	19,634	0	0	0	0	0	19,634
Total expenditures	<u>323,243</u>	<u>104,050</u>	<u>63,670</u>	<u>91,221</u>	<u>20,150</u>	<u>34,864</u>	<u>637,198</u>
Excess of revenues over (under) expenditures	10,047	28,537	28,712	11,361	3,874	3,365	85,896
<u>Other Financing Sources (Uses)</u>							
Transfers in	0	0	0	0	0	4,297	4,297
Transfers (out)	(4,297)	0	0	0	0	0	(4,297)
Total other financing sources	<u>(4,297)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,297</u>	<u>0</u>
Excess of revenues and other financing sources over expenditures and other financing uses	5,750	28,537	28,712	11,361	3,874	7,662	85,896
Fund balance (deficit) - beginning of year	<u>156,020</u>	<u>80,030</u>	<u>0</u>	<u>(9,448)</u>	<u>36,428</u>	<u>(1,638)</u>	<u>261,392</u>
Fund balance - end of year	<u>\$ 161,770</u>	<u>\$ 108,567</u>	<u>\$ 28,712</u>	<u>\$ 1,913</u>	<u>\$ 40,302</u>	<u>\$ 6,024</u>	<u>\$ 347,288</u>

See accompanying notes to financial statements

EDENVILLE TOWNSHIP  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2007

Net change in fund balance - total governmental funds	\$ 85,896
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(70,012)
Capital outlay	19,634
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:	
Repayment of bonds	10,000
Repayment of long term note obligations is an expenditure in the governmental funds but reduces long-long term liabilities in the statement of net assets.	18,139
Repayment of capital lease obligations is an expenditure in the governmental funds but reduces long-long term liabilities in the statement of net assets.	28,516
Interest expense is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.	<u>474</u>
Change in net assets of governmental activities	<u><u>\$ 92,647</u></u>

See accompanying notes to financial statements

EDENVILLE TOWNSHIP  
Fiduciary Funds  
Statement of Fiduciary Net Assets  
June 30, 2007

Tax  
Fund

---

ASSETS

Cash and investments	\$ 144
----------------------	--------

---

---

LIABILITIES AND NET ASSETS

Due to other governmental units	\$ 144
---------------------------------	--------

---

---

See accompanying notes to financial statements.

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Township of Edenville (Township) conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies used by Edenville Township.

**Reporting Entity**

The Township of Edenville is governed by an elected five member council (Board). The accompanying financial statements present the financial position and results of operations for the Township for which the Township is considered to be financially accountable.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.



EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Township reports the following major governmental funds:

**General Fund** - The General Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

**Solid Waste Fund** - The Solid Waste Fund is used to record transactions relative to the collection and removal of waste.

**Lake Assessment Fund** – The Lake Assessment Fund is used to record transactions relative to the treatment of troublesome aquatic growth in area lakes and waterways.

**Fire Fund** – The Fire Fund is used to record transactions relative to the fire protection system of the township.

**M-30 Water Fund** – The M-30 Water Fund is used to record transactions for the funding and payment of principal and interest on bonds issued for water line extensions.

**Assets, Liabilities and Net Assets or Equity**

Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital Assets – Capital assets, which include land, buildings and equipment are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of 5 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add value or materially extend asset lives are not capitalized.

Buildings, improvements and equipment infrastructure are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	50 Years
Equipment	5 to 20 Years

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates – The process of preparing the basic financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 2 - BUDGETS**

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General and Special Revenue Funds of governments prior to the expenditure of monies in a fiscal year.

The Township of Edenville follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Township's supervisor submits to the Board a proposed budget prior to July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Budgeted amounts are as originally adopted, or as amended, by the Board throughout the year. Individual amendments were not material in relation to the original appropriations. Budgets are adopted to the functional level.
4. Appropriations lapse at year-end. These appropriations are re-established at the beginning of the following year.

A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board) for the General Fund, Solid Waste Fund, Lake Assessment Fund and Fire Fund are presented as Required Supplemental Information.

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 2 - BUDGETS (CONTINUED)**

Excess of Expenditures Over Appropriations in Budgeted Funds – During the year, the Township of Edenville incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

<u>Fund/Function</u>	<u>Total Appropriations</u>	<u>Actual Amount</u>	<u>Budget Variance</u>
General Fund			
Public safety	\$ 5,600	\$ 6,500	\$ (900)
Public works	22,900	38,496	(15,596)
Recreation and culture	15,000	15,397	(397)
Capital outlay	0	19,634	(19,634)
Transfers (out)	0	4,297	(4,297)
Fire Fund			
Debt Service			
Principal	27,165	28,516	(1,351)
Interest	12,835	13,473	(638)

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the Township unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rates within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. The Township's deposits are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Cash and investments	<u>\$ 360,237</u>	<u>\$ 144</u>	<u>\$ 360,381</u>

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The breakdown between deposits and investments is as follows:

	Primary <u>Government</u>
Bank deposits (checking and savings accounts)	<u>\$ 360,381</u>

**Interest Rate Risk**

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

**Custodial Credit Risk – Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of June 30, 2007, \$194,942 of the Township's bank balance of \$394,942 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Township's investment policy does not identify interest rate risk, foreign currency risk or concentration of credit risk.

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity of the primary government for the current year was as follows:

	Beginning Balance	Additions	Disposals and Adjustments	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 14,578	\$ 0	\$ 0	\$ 14,578
Capital assets being depreciated:				
Buildings and improvements	433,030	19,634	0	452,664
Equipment	661,159	0	58,789	602,370
Subtotal	<u>1,094,189</u>	<u>19,634</u>	<u>58,789</u>	<u>1,055,034</u>
Less accumulated depreciation for:				
Buildings and improvements	82,878	8,715	0	91,593
Equipment	210,472	61,297	58,789	212,980
Subtotal	<u>293,350</u>	<u>70,012</u>	<u>58,789</u>	<u>304,573</u>
Net capital assets being depreciated	<u>800,839</u>	<u>(50,378)</u>	<u>0</u>	<u>750,461</u>
Governmental activities, total capital assets - net of depreciation	<u>\$ 815,417</u>	<u>(50,378)</u>	<u>\$ 0</u>	<u>\$ 765,039</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 3,632
Public safety	62,052
Public works	<u>4,328</u>
Total governmental activities depreciation expense	<u>\$ 70,012</u>



EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

A summary of inter-fund receivable and payable balances at June 30, 2007 and transfers made during the year ended June 30, 2007 is as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 19,934	\$ 0	\$ 0	\$ 4,297
Road Assessment	0	0	4,297	0
Fire	<u>0</u>	<u>19,934</u>	<u>0</u>	<u>0</u>
	<u>\$ 19,934</u>	<u>\$ 19,934</u>	<u>\$ 4,297</u>	<u>\$ 4,297</u>

A payable is owed to the General Fund by the Fire Fund for costs associated with setting up the Fire Fund. The transfer between the General Fund and Road Assessment Fund relates to a mistake with inter-fund balances settled in the previous year.

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 6 - LONG-TERM DEBT**

A summary of the Township's long term debt is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Ending Balance</u>
2004 Water Supply System Bonds, due in annual installments of \$10,000 to \$25,000 plus interest at the rate of 1.75% to 4.75% through August 2024	\$ 197,500	\$ 0	\$ (10,000)	\$ 187,500
2006 Woodland Estates Road Project Note, due in annual principal installments of \$18,139 plus interest at a rate of 4.62% through May 2008.	36,278	0	(18,139)	18,139
Capital leasing arrangement, due in annual installments of \$28,516 to \$40,182 plus interest at the rate of 6.833% through May 2015.	<u>306,522</u>	<u>0</u>	<u>(28,516)</u>	<u>278,006</u>
Total	<u>\$ 540,300</u>	<u>\$ 0</u>	<u>\$ (56,655)</u>	<u>\$ 483,645</u>

EDENVILLE TOWNSHIP  
Notes to Financial Statements  
For the Year Ended June 30, 2007

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 57,904	\$ 20,677	\$ 78,581
2009	41,068	18,255	59,323
2010	42,430	16,584	59,014
2011	43,850	14,833	58,683
2012	45,333	13,001	58,334
2013-2017	165,560	36,468	202,028
2018-2022	62,500	14,475	76,975
2023-2024	25,000	1,775	26,775
	<u>\$ 483,645</u>	<u>\$ 136,068</u>	<u>\$ 619,713</u>

**NOTE 7 - PRIOR PERIOD ADJUSTMENT**

The net assets of Edenville Township at July 1, 2006, have been decreased by \$45,421. Recording of special assessment note for the Woodland Estates Road Project caused a decrease of \$36,278. Recording of accrued interest caused a decrease of \$9,143.

**NOTE 8 - RELATED PARTY TRANSACTIONS**

During the course of the year, a Township employee was paid \$1,230 to perform periodic service on the Township's computer system.

EDENVILLE TOWNSHIP  
Required Supplemental Information  
Budgetary Comparison Schedule - General Fund  
For the Year Ended June 30, 2007

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
Revenues:				
Taxes and penalties	\$ 125,400	\$ 125,400	\$ 125,138	\$ (262)
State shared revenue	175,945	175,945	169,971	(5,974)
Charges for services	16,500	16,500	23,607	7,107
State grants	9,000	9,000	8,962	(38)
Interest income	4,000	4,000	4,283	283
Miscellaneous revenues	7,050	7,050	1,329	(5,721)
Total revenues	<u>337,895</u>	<u>337,895</u>	<u>333,290</u>	<u>(4,605)</u>
Expenditures:				
Current:				
General government	204,195	204,195	191,287	12,908
Public safety	5,600	5,600	6,500	(900)
Public works	22,900	22,900	38,496	(15,596)
Streets and highways	98,000	98,000	50,369	47,631
Recreation and culture	15,000	15,000	15,397	(397)
Legislative	2,500	2,500	1,560	940
Capital outlay	0	0	19,634	(19,634)
Total expenditures	<u>348,195</u>	<u>348,195</u>	<u>323,243</u>	<u>24,952</u>
Excess of revenues over (under) expenditures	(10,300)	(10,300)	10,047	20,347
<u>Other Financing Sources (Uses)</u>				
Transfers in	18,000	18,000	0	(18,000)
Transfers (out)	0	0	(4,297)	(4,297)
Total other financing sources (uses)	<u>18,000</u>	<u>18,000</u>	<u>(4,297)</u>	<u>(22,297)</u>
Excess of revenues and other financing sources over expenditures and uses	7,700	7,700	5,750	(1,950)
Fund balance - beginning of year	<u>156,020</u>	<u>156,020</u>	<u>156,020</u>	<u>0</u>
Fund balance - end of year	<u>\$ 163,720</u>	<u>\$ 163,720</u>	<u>\$ 161,770</u>	<u>\$ (1,950)</u>

EDENVILLE TOWNSHIP  
Required Supplemental Information  
Budgetary Comparison Schedule - Solid Waste Fund  
For the Year Ended June 30, 2007

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
Revenues:				
Special assessment	\$ 132,534	\$ 132,534	\$ 131,757	\$ (777)
Interest income	111	111	830	719
Total revenues	<u>132,645</u>	<u>132,645</u>	<u>132,587</u>	<u>(58)</u>
Expenditures:				
Current:				
Sanitation	<u>114,000</u>	<u>114,000</u>	<u>104,050</u>	<u>9,950</u>
Excess of revenues over expenditures	18,645	18,645	28,537	9,892
Fund balance - beginning of year	<u>80,030</u>	<u>80,030</u>	<u>80,030</u>	<u>0</u>
Fund balance - end of year	<u>\$ 98,675</u>	<u>\$ 98,675</u>	<u>\$ 108,567</u>	<u>\$ 9,892</u>

EDENVILLE TOWNSHIP  
Required Supplemental Information  
Budgetary Comparison Schedule - Lake Assessment Fund  
For the Year Ended June 30, 2007

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
Revenues:				
Special assessment	\$ 91,710	\$ 97,710	\$ 91,713	\$ (5,997)
Interest income	750	750	669	(81)
Total revenues	<u>92,460</u>	<u>98,460</u>	<u>92,382</u>	<u>(6,078)</u>
Expenditures:				
Current:				
Public Works	<u>89,500</u>	<u>89,500</u>	<u>63,670</u>	<u>25,830</u>
Excess of revenues over expenditures	2,960	8,960	28,712	19,752
Fund balance - beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance - end of year	<u>\$ 2,960</u>	<u>\$ 8,960</u>	<u>\$ 28,712</u>	<u>\$ 19,752</u>

EDENVILLE TOWNSHIP  
Required Supplemental Information  
Budgetary Comparison Schedule - Fire Fund  
For the Year Ended June 30, 2007

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 105,016	\$ 105,016	\$ 102,016	\$ (3,000)
Interest income	342	342	385	43
Other revenue	0	0	181	181
Total revenues	<u>105,358</u>	<u>105,358</u>	<u>102,582</u>	<u>(2,776)</u>
Expenditures:				
Current:				
Public safety	60,700	60,700	49,232	11,468
Debt Service:				
Principal	0	27,165	28,516	(1,351)
Interest	0	12,835	13,473	(638)
Total expenditures	<u>60,700</u>	<u>100,700</u>	<u>91,221</u>	<u>9,479</u>
Excess of revenues over expenditures	44,658	4,658	11,361	(6,703)
Fund balance (deficit) - beginning of year	<u>(9,448)</u>	<u>(9,448)</u>	<u>(9,448)</u>	<u>0</u>
Fund balance - end of year	<u>\$ 35,210</u>	<u>\$ (4,790)</u>	<u>\$ 1,913</u>	<u>\$ (6,703)</u>

EDENVILLE TOWNSHIP  
Other Supplemental Information  
Non-Major Funds Combining Balance Sheet  
June 30, 2007

	Swanton Creek Fund	Special Road Fund	Total
<u>ASSETS</u>			
Cash and investments	\$ 12,713	\$ 3,421	\$ 16,134
Receivables - net	0	18,977	18,977
Total assets	<u>\$ 12,713</u>	<u>\$ 22,398</u>	<u>\$ 35,111</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>Liabilities</u>			
Swanton hall advances	\$ 10,110	\$ 0	\$ 10,110
Deferred revenue	0	18,977	18,977
Total liabilities	<u>10,110</u>	<u>18,977</u>	<u>29,087</u>
<u>Fund Balance</u>			
Unreserved	<u>2,603</u>	<u>3,421</u>	<u>6,024</u>
Total Liabilities and Fund Balance	<u>\$ 12,713</u>	<u>\$ 22,398</u>	<u>\$ 35,111</u>



EDENVILLE TOWNSHIP  
Other Supplemental Information  
Non-major Funds Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2007

	Swanton Creek Fund	Special Road Fund	Total
<u>Revenues</u>			
Special assessments	\$ 0	\$ 22,025	22,025
Charges for services	0	1,857	1,857
Interest	41	35	76
Other revenue	14,271	0	14,271
Total revenues	<u>14,312</u>	<u>23,917</u>	<u>38,229</u>
<u>Expenditures</u>			
Current:			
General government	11,709	0	11,709
Streets and highways	0	3,294	3,294
Debt Service:			
Principal	0	18,139	18,139
Interest and fees	0	1,722	1,722
Total expenditures	<u>11,709</u>	<u>23,155</u>	<u>34,864</u>
Excess of revenues over expenditures	2,603	762	3,365
<u>Other Financing Sources</u>			
Transfers in	<u>0</u>	<u>4,297</u>	<u>4,297</u>
Excess of revenues and other financing sources over expenditures	2,603	5,059	7,662
Fund balance (deficit) - beginning of year	<u>0</u>	<u>(1,638)</u>	<u>(1,638)</u>
Fund balance - end of year	<u>\$ 2,603</u>	<u>\$ 3,421</u>	<u>\$ 6,024</u>



# WEINLANDER FITZHUGH

CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

ROBERT E. LIST, CPA  
STEWART J. REID, CPA  
MICHAEL L. HANISKO, CPA  
DAVID D. QUIMBY, CPA  
KATHLYN M. ENGELHARDT, CPA  
RENAE M. CLEVINGER, CPA  
AMY L. RODRIGUEZ, CPA  
SCOTT A. NIETZKE, CPA

WALTER G. WEINLANDER, CPA  
ROY A. SCHAIRER, CPA  
JAMES L. WHALEY, CPA  
JEROME L. YANTZ, CPA  
PHILIP T. SOUTHGATE, CPA  
ROBERT J. DUYCK, CPA

December 20, 2007

Township Board  
Edenville Township  
Edenville, Michigan

In planning and performing our audit of the financial statements of Edenville Township (Township) as of and for the year ended June 30, 2007, in accordance with U.S. generally accepted auditing standards. We considered Edenville Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective is not always met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

1600 CENTER AVENUE  
POST OFFICE BOX 775  
BAY CITY, MI 48707-0775  
989-893-5577  
800-624-2400  
FAX 989-895-5842  
[www.wf-cpas.com](http://www.wf-cpas.com)  
[wf@wf-cpas.com](mailto:wf@wf-cpas.com)

OFFICES: BAY CITY, CLARE,  
GLADWIN AND WEST BRANCH

**RSM McGladrey Network**

An Independently Owned Member



# WEINLANDER FITZHUGH

Township Board  
Edenville Township  
December 20, 2007  
Page 2

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. We consider the following significant deficiencies to be material weaknesses:

## **Financial Reporting**

As part of our consideration of the internal control over financial reporting, we as auditors are not allowed to be considered to be part of Edenville Township's internal controls. In taking this required position, we must consider whether the Township has the ability, on its own, to monitor and report financial activity in accordance with our professional standards without auditor intervention.

The Township uses accounting software as a management tool to monitor the financial status of the Township, to facilitate the preparation and amendment of budgets and to compare budgeted amounts to actual results. In addition, the Township demonstrates the ability to report fund level activities, monitor fiduciary fund activities (including tax collections and disbursements) and report on certain fund level note disclosures. Due to the complexity of the required government wide financial statements and related note disclosures in accordance with GASB 34, the Township does not maintain personnel who can report in accordance with U.S. generally accepted accounting principles without auditor intervention.

The preceding comments are not intended to reflect on the performance or capability of any employee.

This report is intended solely for the information and use of the Township Board, management and others within the Township and is not intended to be and should not be used by anyone other than these specified parties.

*Weinlander Fitzhugh*